



# Service, Quality, Accountability

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Alberta Pensions Services Corporation  
2023 Annual Report

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## Service, Quality, Accountability.

APS is proud to be named one of Alberta's top employers in 2023. We have worked hard to achieve this recognition and will continue to do so.

Our corporate values of **service, quality** and **accountability** are the foundation of our success. We have achieved our status as a low-cost, high-service provider of pension administration by collaborating with our clients and employees to find innovative ways to enhance our services.

Our values guide our actions, shape our culture and form our interactions. They are our purpose, our sense of commitment and what makes us work better together as a team. We are dedicated to providing a reliable pension experience on behalf of Alberta's public sector pension plans.

## Treaty Land Acknowledgement

APS is situated in the heart of Treaty Six territory. We respect the histories, languages and cultures of First Nations, Métis, Inuit and all First Peoples throughout Alberta and across Canada, whose presence continues to enrich our community.

# Mission, Vision and Values

## Mission

### Our purpose.

As a pension administrator serving Albertans, we are knowledgeable, caring professionals committed to guiding the pension experience, delivering the highest standard of accurate, cost-effective service.

## Vision

### What we strive to achieve.

Relentlessly pursuing excellence in pension benefits administration, to serve those who serve Albertans.

## Values

### Drive us to do the right thing.

**Service:** We make every interaction count.

**Quality:** What we do, we do well.

**Accountability:** We take responsibility.

## Who We Are

APS is dedicated to providing an exceptional pension experience on behalf of our clients to members, pensioners and employers. In collaboration with our clients and the Government of Alberta, we deliver services on behalf of seven public sector pension plans and two supplementary retirement plans:

- Local Authorities Pension Plan (LAPP)
- Public Service Pension Plan (PSPP)
- Special Forces Pension Plan (SFPP)
- Management Employees Pension Plan (MEPP)
- Supplementary Retirement Plan for Public Service Managers (SRP)
- Provincial Judges and Applications Judges (Registered) Pension Plan and Provincial Judges and Applications Judges (Unregistered) Pension Plan (JPP)
- Public Service Management (Closed Membership) Pension Plan (PSM[CM]PP)
- Members of the Legislative Assembly Pension Plan (MLAPP)



## What We Do

APS provides valuable pension administration services to 515 participating employers across Alberta. We also provide trusted pension-related services to over 400,000 members and pensioners around the world, administering pension plan funds annually through receipts and disbursements in excess of six billion dollars.

Some of our reliable pension services include:

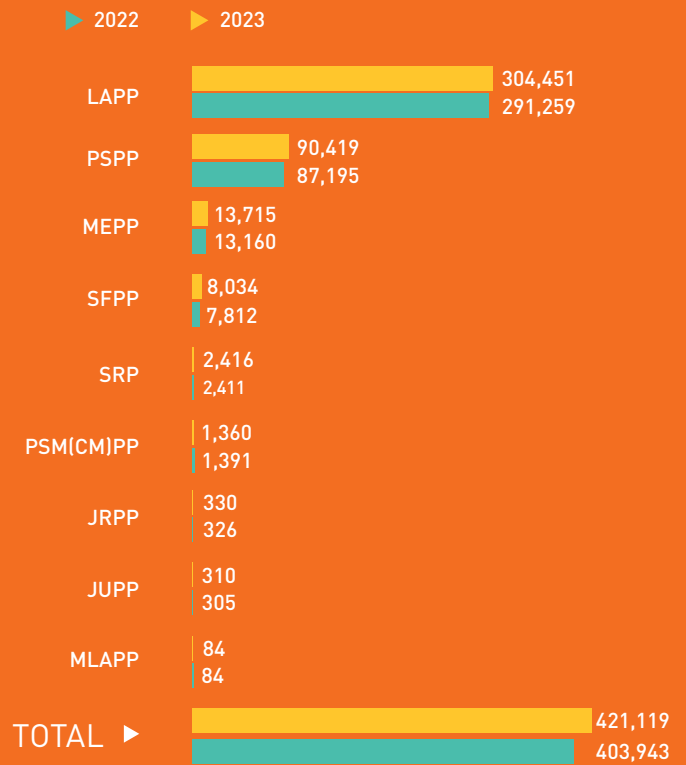
- Contributions management
- Member, pensioner and employer information management
- Data analytics and reporting
- Member, pensioner and employer communications
- Benefit calculations
- Disbursements to and from employers, members and other pension plans
- Policy development and implementation
- Communications design and delivery
- Compliance, regulatory and plan financial reporting

# Who We Serve

The number of members, pensioners and employers we serve continues to grow.

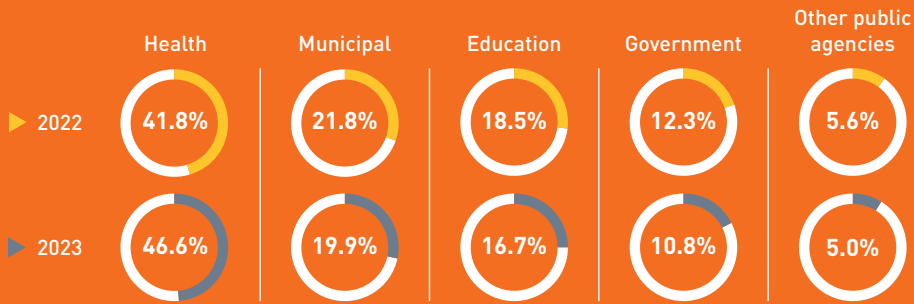


## Members and Pensioners by Plan





# Plan Members by Sector (All Plans)



## Members and Pensioners

▶ 2022 ▶ 2023

Number of pensioners 132,974  
127,863

Number of new active members 29,091  
25,782

Average pensionable service at retirement 19.2 years  
19.6 years

Number of pensioners 100 years or older 93  
76

Active members who work part-time **23.7%** **20.9%**

Number of employers 515  
509  
2023 2022

Number of **new** employers **7** **1**



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# Message from the Board Chair

Colin P. MacDonald



The APS values will continue to be our compass, guiding us as we build upon the strong foundation established over the past several years.”



The theme for the 2023 Annual Report focuses on Alberta Pensions Services Corporation's (APS) values of quality, accountability and service. Reviewing the past year, the APS Board of Directors (the Board) can see how those values drive APS to do the right thing for its employees, shareholder, APS clients and their members and employers. The Board supports and is driven by those corporate values. To that end, we meet regularly with APS management to ensure alignment and provide guidance to encourage those values. The annual report is an opportunity to reflect on how well that was done and reaffirm our commitment to those core values.

### Board Meetings in 2023

At the board meetings throughout the year, we discussed, reviewed and, where necessary, approved various items. We looked at divisional plans, budgets, scorecard results, roadmaps, policies and procedures. We invited clients, pension experts and the shareholder to participate in our meetings to provide insights with their perspectives.

After management collaborated closely with the clients on the Client Corporation & Trustee Plan 5-Year Strategic Roadmap, the Board had the opportunity to review and approve the approach in our March meeting. In our April meeting, we evaluated renewing the APS building lease and reducing the APS footprint in support of APS' hybrid work policy. We also reviewed the technology risks and are confident in APS' mitigation efforts and response. In June, we discussed cyber-risks, business resilience and risk management. Approaches for Pension Services Agreements were considered in September and in November, we discussed the People and Culture Plan.

These items, along with the other regular agenda items discussed at the board meetings, contribute to APS "doing the right thing," and show our support for the values of service: making every interaction count; quality: what we do, we do well; and accountability: we take responsibility.

### Looking Ahead

The APS values will continue to be our compass, guiding us as we build upon the strong foundation established over the past several years. The Board's activities are viewed through the lens of these values, ensuring alignment with APS' mission and vision.

### Acknowledgments

In June, Troy Mann, VP of Pensions Services, left APS to take on the CEO responsibilities at LAPP Corporation. We thank him for his service and wish him well in his new position.

In November, the President and CEO of APS, Darwin Bozek, announced to the organization that he had resigned to move on to a new opportunity early in 2024. The Board recognizes his six years of leadership through various challenging times, including budgetary constraints and a worldwide pandemic. We are also aware of APS' excellent external and internal recognition and progress over his tenure. He will be missed, but we wish him all the best in his new opportunity.

We also thank those employees who have stepped up in an acting capacity to ensure APS continues to provide excellent service and leadership for APS.

These are significant changes for any organization to encounter in a single year, but the Board is confident in APS' leadership and direction as it continues to grow and progress.

### Living the Values

APS should also celebrate its status as a top Alberta employer in 2023 and 2024. This recognition reflects consistently living the APS values and an ongoing commitment to an inclusive and engaging workplace.

On behalf of the Board, I express sincere appreciation to the APS staff. Their hard work, dedication and creativity drive success and show that the APS values are understood and applied.

Sincerely,



Colin P. MacDonald, K.C., ICD.D  
Chair, APS Board of Directors



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# Message from the Executive Team

By focusing on our values of service, quality and accountability, APS has completed another year of success, growth and progress.”



As an executive team, we are confident in the direction APS is moving and the commitment and dedication of our staff as we push forward into an exciting future. APS is a values-based organization where we place as much emphasis on how we do things as what we do. APS staff exemplify that every day by being driven by our corporate values – service, quality and accountability.

Our corporate values are more than a way to ensure everyone performs their best. They are a foundation for how we do business, a way to measure our success and a goal to aspire to.

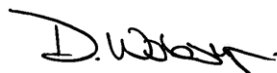
Our **service** scores have reached all-time highs, and we are meeting or exceeding our targets. Our costs and transaction information are submitted annually to Cost Effectiveness Measurement (CEM) Benchmarking Inc. to help us see how we compare to our peer organizations. The CEM Total Service Score, which you will see on Page 21 of this report, shows continued improvement in relation to our peers in the pension industry. APS has maintained its status as a low-cost, high-service provider of pension administration services when benchmarked against our peers, with a total service score seven points higher than our peers' median score.

The **quality** of our work is a critical focus at all levels. Our Corporate Scorecard results show we have reached or exceeded our targets across various metrics related to stakeholder satisfaction, operational excellence, financial performance and people and culture. Our operations team maintains the quality of our services by ensuring members' pensions are accurate and the member experience is top-notch. Our Member Services Centre showed the quality of their training and knowledge with a 2023 Voice of the Customer score of 8.6/10 and a first call resolution survey score of 87.6%, showing we respond to members with the correct answers the first time.

**Accountability** is the cornerstone of our business. Our payout calculation accuracy across 1,635 samples was 99.8% for 2023; notably, our accuracy in the fourth quarter, based on 400 samples, was 100%. We also earned the honour of being recognized as one of Alberta's Top 75 Employers in 2023, showing that APS is not only accountable to our clients but also to ourselves and our teams. Part of being accountable to the APS Team is giving them a voice. Our annual employee engagement survey saw a participation rate of 84% and an overall employee engagement score of 80%.

By focusing on our values of service, quality and accountability, APS has completed another year of success, growth and progress. This annual report reflects our accomplishments that stem from the dedication of our staff to our core values. Greater collaboration with our clients has increased innovation and enhanced services. Our work in 2023 on the Client Corporation & Trustee Plan 5-Year Strategic Roadmap, five-year strategic plan and three-year business plan set us on the path to reaching the highest levels of our industry. Our staff engagement scores tell a story of staff and leaders who care about their organization and who find satisfaction in their contributions. We hold ourselves accountable to our clients and stakeholders by regularly tracking, measuring and reporting our services, and committing to continuous improvement and innovation.

While preparing this report, we were advised that APS was honoured as a top employer in Alberta for the second year in a row. Being recognized for our culture of innovation and engagement and our commitment to our core values shows that even through challenges and transitions, we are committed to our goal of being the pension administrator of choice.



Signed by Doug Woloshyn on behalf of the executive team:

**Doug Woloshyn**  
Interim President & Chief  
Executive Officer

**Kathryn Miller**  
Interim Vice President,  
Pensions Services

**Amrita Kharbanda**  
Acting Vice President,  
Finance & Chief  
Financial Officer

**Steven French**  
Vice President, Information  
Services and Technology  
& Chief Information Officer

**Tony Kurian**  
Vice President, Governance  
and General Counsel

**Tamara Janzen**  
Vice President,  
Human Resources  
and Organizational  
Development

# A Focus on Employee Engagement

Engaged employees are motivated and committed to providing excellent service and improving business outcomes. Each year, APS conducts an employee engagement survey to measure job satisfaction and identify opportunities and challenges. The survey gives employees a voice, improves workplace culture and fosters communication and trust.

With an overwhelming response rate of 84%, we feel comfortable knowing that the feedback represents the majority of our employee population.

Overall engagement at APS came in at an all-time high of 80% - up from 75% in 2022 - which tells us that we're moving in the right direction. Regarding the Agile APS program that allows employees the flexibility to work from home or participate in a hybrid model, 96% of employees believe that Agile APS and the ability to work remotely are great advantages to working at APS.

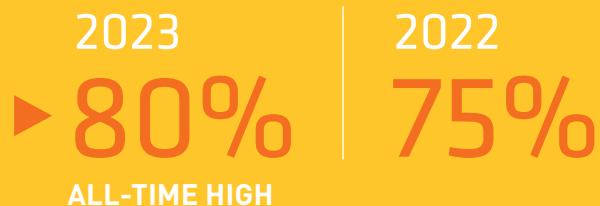
Other factors that improved since the previous survey included trust and safety, team and collaboration, job satisfaction and recognition and rewards.



Agile APS and the ability to work remotely is a great advantage to working at APS:

▶ **96%**  
favourable in  
engagement  
survey

## Employee Engagement Score:





# A Commitment to DIVERSITY, EQUITY and INCLUSION in the Workplace

APS is committed to having a workplace that is respectful and supportive – where every member of the team feels that they belong, are valued and are supported in our efforts to provide outstanding service.

Although we are a relatively small organization, each employee brings diverse components of who they are to work every day, such as age, family status, education, talents, personality, gender, physical and learning abilities, cultural background and so on. Diversity, equity and inclusion (DEI) is a vital part of our organizational culture and values, and everyone must have an equal opportunity to learn, grow and contribute to a more inclusive and respectful workplace.

Following the development of our DEI strategy, training sessions began in the fall of 2023 and covered the following topics:

- learning about DEI concepts
- reflecting on personal challenges and blind spots
- discussing how DEI plays out in the workplace
- understanding goals and commitments at APS
- learning how to contribute at APS in a personal way

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## APS' DEI Purpose Statement:

*At APS, we value and respect our differences. Based on our values, we work together as teammates to create an environment where everyone feels safe and empowered to offer their diverse ideas, interests, knowledge and expertise for the benefit of those we serve and in the pursuit of organizational excellence.*

# Staff Recognition Program Launched

Employee recognition promotes a culture that aligns with our values, encourages a customer-first mindset, helps create a positive work environment and boosts morale.

In March 2023, APS introduced a new and exciting internal recognition program that promotes recognition of staff who embody our corporate values of service, quality and accountability in their daily interactions.

The program allows for all kinds of recognition, from employee-to-employee recognition to long-service awards and more. Through the program, all APS employees can give unlimited praise to their coworkers privately or for all staff to see.

Six months after the program launched, staff members had been recognized more than 3,900 times, and almost every staff member had participated in the program either by giving or receiving recognition. By the end of 2023, it was clear that the recognition program was a hit with APS staff.



## In 2023:

 **342**  
UNIQUE GIVERS

 **387**  
UNIQUE RECEIVERS

 **7,100**  
TOTAL RECOGNITIONS



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# Financial Wellness Training

To take care of others, we must take care of ourselves. Personal finances can be one of the most significant stressors in someone's life, often making them feel overwhelmed and helpless.

In 2023, APS partnered with Enriched Academy to offer employees a free comprehensive suite of personal finance resources, including online training courses and tools, self-guided courses, calculators and one-on-one meetings with a financial coach.

Courses were offered to APS staff throughout the year, covering topics such as financial goal setting, mortgages and home buying, raising money-smart children, debt elimination, online investing and more.

More secure in their financial futures, staff will be better able to support APS in achieving its goals and vision, continuing to provide exceptional services to the people and organizations we support.





# A Top Employer in Alberta

Based on the submission we made in 2023, APS was chosen as one of Alberta's top employers for the second consecutive year.

Employers are evaluated on the following criteria:

- physical workspace
- community involvement
- work and social atmosphere
- health, financial and family benefits
- vacation and time off
- employee communications
- performance management

APS stood out for several reasons, including our flexible work environment through Agile APS, our vacation and personal days allotment, retirement planning assistance and our defined benefit pension plan for employees.

Our employees and the people they serve are the reason why we strive to make working at APS an enjoyable and rewarding experience. Being recognized this way is a testament to each employee's commitment to the support they provide every day.

# Agile APS

The Agile APS pilot program was launched in 2022 and was officially adopted in 2023, allowing most APS employees the flexibility to work from home, the APS building or both locations on a hybrid schedule.

In March 2020, in response to the COVID-19 pandemic, the majority of APS staff moved their workstations to their homes. It was clear early on that this new work-from-home world was successful, as operations continued seamlessly despite the change in location for most APS employees. Service levels were being met, productivity was going up and engagement was at the highest level it had ever been.

APS strives to be welcoming, inclusive and innovative with a common goal of providing the services our clients and their members and employers need. With that in mind, it made sense to formalize the pilot project by establishing rules, expectations and policies around remote work in our new virtual world to ensure employees are safe, supported and connected.

Benefits have been seen across the organization as a result of Agile APS. We were able to downsize our space in the APS building and reduce expenses on items such as printer paper and office supplies (see details on page 30). In addition, offering a flexible work environment allowed us to expand our hiring boundaries and is an attractive benefit for potential employees across Alberta, often being mentioned by candidates during job interviews.







## Gathered Together: Team APS United!

In June, APS invited all staff back to the office for a staff appreciation event featuring sunshine and food trucks! More than 200 staff members spent the Friday afternoon in the back parking lot of the office, connecting with coworkers and eating hand pies, Philippines-inspired ice cream, gourmet cookies and wraps.

Organized by APS' Values, People, Culture Committee (VPC), the event included lawn games, sunshine and door prizes for staff. A virtual event was held simultaneously for remote staff who could not attend in person. Virtual attendees played trivia games and chatted, and the official program from the in-person event was live-streamed so all staff could be included.

The Charity of Choice committee also held a 'CANstruction' food donation drive for Edmonton's Food Bank by inviting staff to form teams and build structures out of the donated food items.

Staff gathered in December for the second consecutive year to attend the APS holiday luncheon. The theme for 2023 was 'traditional holiday' and staff were invited to dress up in their own tradition's finest. Staff enjoyed the delicious buffet, reconnecting with colleagues and decorating miniature Christmas trees at their tables. VPC sponsored nearly a dozen door prizes for staff, including two grand prizes.

The simultaneous virtual event included a live stream of the luncheon programming, trivia games and fun discussions. All staff who attended in person or virtually could watch the scheduled program, which included long-service awards, an address by CEO Darwin Bozek and the executive team Q&A panel where each VP was asked a few randomly selected questions.

The Charity of Choice's November donation drive culminated at the luncheon. All staff who donated funds or food to Edmonton's Food Bank throughout the month and at the event were entered into a prize draw.

For more on APS staff's community involvement, see page 29.



# Fond Farewells

We're in the business of pensions, so there's nothing sweeter for us than when a long-time team member makes it to retirement. Here are just a few APS retirees who finished working in 2023 after more than 20 years of service.

## Magdalena Albin:

**Start Date:** August 2000

**Roles:** Benefit Clerk, Benefit Specialist, Senior Operations Representative

**Retired:** Sept. 15, 2023 after 23 years

*"APS was, for me, a place to meet great people, acquire unique experiences and knowledge on a wide field of pensions and, most importantly, I had opportunities to serve members when they needed [it]."*

- Magdalena Albin

## Philip Mak:

**Start Date:** November 2002

**Roles:** Calculations Clerk, Member Services Representative, Operations Representative, Information Specialist

**Retired:** Feb. 28, 2023 after 20 years

## Staff Retirements in 2023

YEARS OF SERVICE AT APS	# OF EMPLOYEES
25+	4
16-25	2
10-15	1
1-9	4

## Shari McNeil

**Start Date:** 1990

**Roles:** Head of Pension Payroll, Pension Analyst, Senior Operations Representative

**Retired:** June 30, 2023 after 33 years

*"[I] had various challenging responsibilities at APS... especially enjoyed the legal and systems work and dealing with people [internal and external]. Now [I'm] enjoying some new volunteer work, extra grandchildren time, travelling and doing what I want, when I want!"*

- Shari McNeil

## Donna Kowalchuk:

**Start Date:** June 20, 1990

**Roles:** Employer Services Representative, Member Services Representative, Information Specialist

**Retired:** May 15, 2023 after 33 years





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# Management's Discussion and Analysis

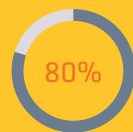
# Overview

Management's Discussion and Analysis (MD&A) details the outcomes and financial condition of APS for the year ended December 31, 2023. These findings present APS through the eyes of management, who carefully assessed material trends and any ambiguities that affected the overall results. As a service business operating on a cost-recovery basis, our top priority is delivering a high standard of service at a reasonable cost. By focusing on effective resource management, APS can remain vigilant in establishing measurable objectives that help us remain accountable to our shareholder and clients.

The MD&A contains prospective statements about anticipated future events and financial operations that may not be proven accurate and are subject to risks and uncertainties. Please review the MD&A in conjunction with the financial statements and accompanying notes. The accounting standards used in the preparation of APS' financial statements are the Canadian Public Sector Accounting Standards (PSAS), with all amounts presented in Canadian dollars.

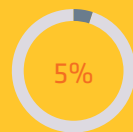
## 2023 APS Operating Expenses

TOTAL ► **\$57.5M**



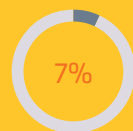
**\$46.2M**

Core Pension  
Administration Services\*



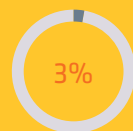
**\$2.8M**

Plan Specific and  
Corporate Services\*



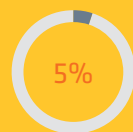
**\$4.2M**

Corporate Support  
(CEO, HR, Finance,  
Communications, Legal)



**\$1.5M**

Board Governance,  
Risk and Control



**\$2.8M**

Building Related

*\*85% of operating expenses are directly related to providing pension administration services to the members, pensioners and employers we serve and to the clients we support.*

# Strategy and Planning

To support our clients, APS takes a collaborative approach that allows us to be proactive while remaining accountable. We continue to make an effort to increase our clients' trust through a focus on core pension administration services. We are dedicated to meeting the changing needs of our clients and the increasing demand for our services in a cost-effective manner.

## Client Corporation & Trustee Plan 5-Year Strategic Roadmap

The Client Corporation & Trustee Plan 5-Year Strategic Roadmap was launched in 2023 and addresses future desired services, service levels, functionality and capacity. It provides direction on where we want to be, how we'll get there and how we can work together with our clients to ensure the member and employer journeys reflect the valuable expertise that APS can offer.

The strategic roadmap has eight guiding principles and three focus areas to help us plan and prioritize initiatives in the three main pillars of our business:

- The member journey
- The employer journey
- Process optimization

## Strategic Plan

The strategic roadmap helped to inform our five-year strategic plan, which also launched in 2023 and spans 2023-2027. Through extensive engagement with our stakeholders, we have heard their areas of focus for the future, and we will continue to strive towards meeting the demands.

Our strategic plan recognizes that our environment can change rapidly, and it mandates continued transformation in our business operations to achieve our goal of being a leader in pension administration services and a strategic business partner with our clients. APS continues to focus on excellence in the services we provide to our clients and their members, pensioners and employers, which are supported by effective, ethical, innovative and risk-managed business practices.

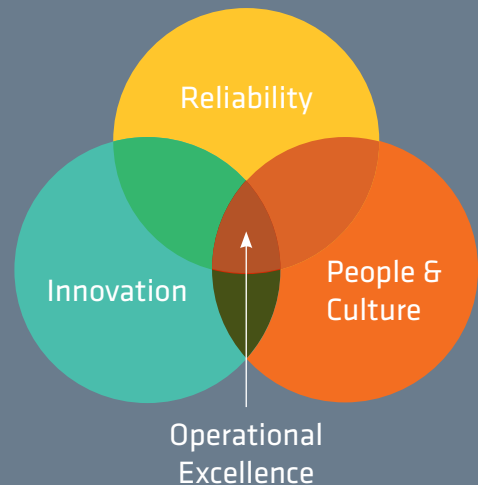
## Strategic Objectives

- Strengthen alignment with our clients as a strategic business partner
- Work collaboratively with our clients to elevate the member journey
- Enhance the employer journey in partnership with our clients
- Continue to deliver value through sustainable, innovative and efficient operations
- Invest in and prepare our people and culture for the future

Each objective aims to continue building the strength of our organization to innovate and build the capacity and capabilities for the future success of APS.

## Business Plan

With APS' strategic plan and the strategic roadmap guiding our future, we created a three-year business plan detailing our key priorities and initiatives to achieve our strategic goals during the 2024 to 2026 period. The three key themes of APS - reliability, innovation and people and culture - will lead APS toward the ultimate goal of operational excellence. We continue to work closely with all our stakeholders, collaborating to ensure continued alignment and maintain their trust in us as a strategic business partner.





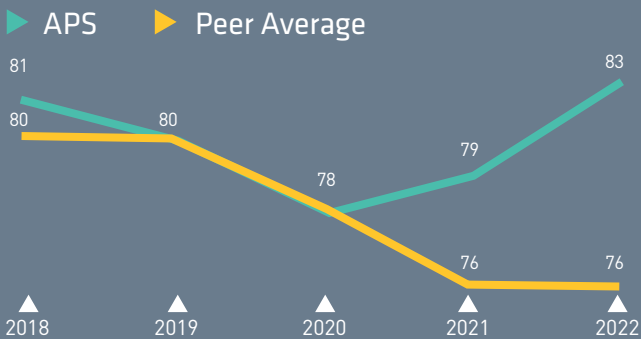
# Showing Value

Demonstrating value to plan members and employers drives our work at APS. Over the past few years, we've enhanced the member experience and achieved some of our best service outcomes to date.

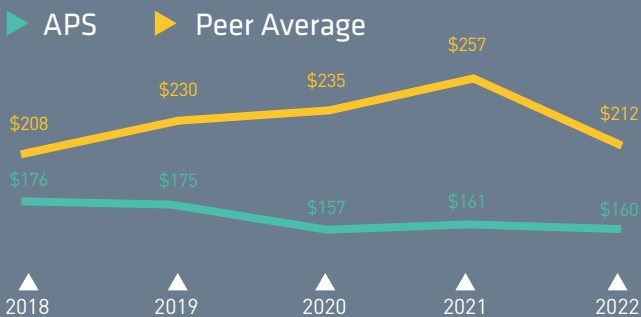
Since 2015, APS' administration costs per member have trended significantly lower than our Canadian public sector peers, and our total service score has consistently met or exceeded the scores of our peers.

APS' operating costs, membership numbers and transactional information are submitted annually to Cost Effectiveness Measurement (CEM) Benchmarking Inc.; this helps us understand our position in relation to the cost-effectiveness and service levels of our peer organizations in Canada. APS is positioned as offering higher value and lower costs than our industry peers.

## CEM Total Service Score



## CEM Cost per Member



In 2022, we were a low-cost, high-service provider of pension administration services when benchmarked against our peers.

## CEM Total Service Score

The results of 2022's survey were released in 2023, and showed that APS had a high total service score of 83 out of 100, and a lower-than-average cost per member of \$160.



# The Member and Pensioner Experience

*“The representative was outstanding. She answered all of my questions and explained all of the different options available to me. She was very easy to talk to and I never felt rushed. She has such a pleasant personality.”*

**Dina, LAPP Member, 61**

*“The quality of service. She made me feel like I was family. She was very thoughtful to my many other questions and stayed on the line until almost closing time. Her priority at all times was answering my questions in full until each question was understood properly. She was absolutely awesome.”*

**Anthony, LAPP Member, 59**

*“The person helping was knowledgeable, friendly and considerate. She didn’t give up easily and we tried several different ways to solve the problem until it was resolved. She was extremely patient and kind as well as respectful.”*

**Paula, LAPP Retiree, 77**

*“Each time that I called I felt like the person dealing with me loved their job. I heard kindness and caring in their voices. Almost as if they had a big smile on their face. It truly was a pleasure.”*

**Sandra, LAPP Retiree, 77**

*“I was honestly a bit taken aback at exactly how comprehensive, helpful and patient the person I spoke with on the phone was. He was absolutely fantastic to work with.”*

**John, MEPP Member, 37**

*“The staff is always pleasant and informed. When an answer is not known, the team member works quickly to find a solution. Follow up is quick and professional.”*

**Shannon, MEPP Member, 54**

*“The MEPP representative was very helpful, friendly and eager to answer my questions and run various scenarios as well as reset my password. So was the last MEPP representative I spoke with. I must emphasize that both were very helpful and eager to answer my questions.”*

**Robert, MEPP Member, 54**

## Elevating the Experience

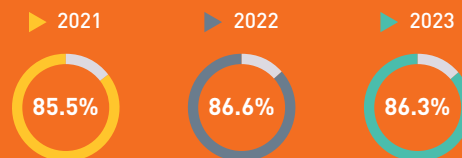
Part of demonstrating value to plan members is using benchmarking and surveying tools to understand and elevate the member experience. Two of the tools we use are member satisfaction surveys and employer satisfaction surveys.

The member satisfaction survey is sent out to members and pensioners who contacted the member services centre. In 2023, we received over 16,000 responses to our member satisfaction survey.

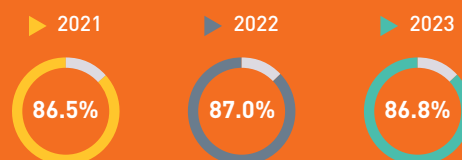
The employer satisfaction survey is sent annually to all plan employer contacts to ask about their satisfaction with the employer services team. In 2023, 373 responses were collected, up from 345 in 2022. See Page 24 for more about the employer experience.

## Our Scores

### Member Satisfaction Survey



### Employer Satisfaction Survey



# The Member Experience

As we evolve as an organization, improvement and innovation are always a priority.

## Plan registration process improvements

We worked with one of our clients to streamline the member enrollment process. Members enrolling in the Plan no longer receive a paper welcome package but, instead, receive a letter and instructions on registering and updating their information online. This option saves on print costs and supports members using online tools. Following this initial step to transition Plan members online, we have also shifted to online pensioner annual statements instead of mailing them.

## More options for in-person retirement sessions

We were able to offer in-person member retirement sessions for the entirety of 2023 in addition to our virtual member retirement sessions. The in-person option gives members the opportunity to ensure they fully understand the value and options regarding their pension in a way that best suits their needs. The most popular topics in 2023 included explaining retirement options, understanding the retirement application process, providing assistance with using pension estimators and identifying the first pension payment date.

## Increased clarity for members of multiple plans

In 2023, we increased clarity for pensioners who receive pension payments from multiple plans. Pensioners will now receive plan-specific pension payments and tax slips that previously, until midway through 2023, were combined.

# Service Successes

Part of demonstrating value to members is creating services and systems that make the pension experience easier to understand. The following service successes will help us achieve this.

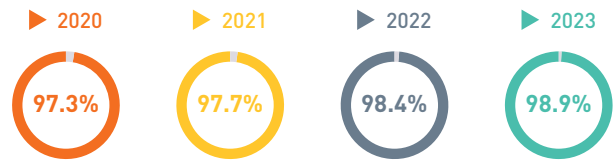
## Contact centre upgrade

In 2023 we signed a contract for a new cloud-based contact centre solution with implementation planned for 2024. The solution will enhance our member experience with improved reliability, efficiency and additional functionality.

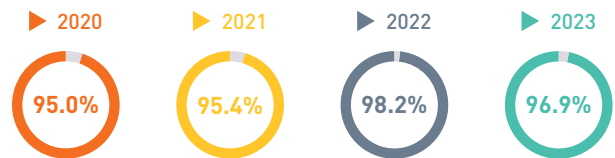
## Quality improvements

The development of quality dashboards began in 2023 and continued into 2024, allowing us to centralize the overview of performance indicators, identify trends and track service delivery. They will create transparency, foster accountability in decision-making and help focus support, training and process improvements in an effort to achieve positive impacts on the member experience.

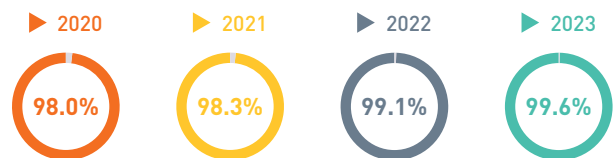
## Calculations Completed on Target—All Types



## Calculations Completed on Target—Retirement-Related



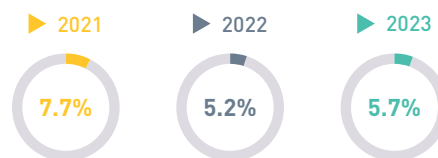
## Calculations Completed on Target—Termination-Related



## Average Speed of Answer



## Call Abandon Rate





# Member Education

Members value one-on-one information sessions. In a session, members meet an information specialist and can discuss their retirement application, understand their options and the process and ask general questions. APS was pleased to continue to offer these sessions remotely as well as in person at our Edmonton office.

Online group member information sessions via webinars also continued in 2023. These sessions focus on the retirement, termination and buyback processes.



## One-on-One In-Person Information Sessions in 2023

Total Sessions: 776 in person  
Participant Satisfaction Score: 9.4/10



## One-on-One Remote Information Sessions in 2023

Total Sessions: 727 remote  
Participant Satisfaction Score: 9.3/10



## Webinar Sessions in 2023

Total Sessions: 112 online  
Participant Satisfaction Score: 9.2/10

## The Employer Experience

We continued to evolve the employer experience as employers play a critical role in pension plan administration by providing timely and accurate payroll data. In many cases, they play an important role in connecting members with their pension plan.

We completed the rollout of the Employer Hub in 2023, an important employer resource tool that supports the daily work of employers. The Employer Hub includes an updated employer guide, tutorials and sample reports, improved search functionality and information personalized to the accounts an employer administers. We also continued to offer employer education sessions, which are highly valued by employers.

We worked to improve our employer portal validation process, which balances the employer experience with ensuring the quality of member data provided by employers. We used a risk-based assessment approach to update contribution validations to help minimize the effort for employers while still maintaining quality member data.

*"I was very impressed with the assistance provided by the individual who spoke with me. She was polite, helpful, well informed and went above and beyond in finding the information that I needed."*

*"She didn't merely answer with 'yes' or 'no'—she pursued a resolution to my concern. It was quite evident that I was speaking with an actual human being (not a bot!) who respected my request and did not treat me as just another phone call to deal with."*

**Seanna, MEPP Pensioner, 65**

*"The Member Services Representative I spoke with was wonderful to speak with. She was informed, well-spoken and to the point. When she didn't know the answer to a question, she agreed to contact me the next day with an answer. She did this with confidence and professionalism. SFPP members are extremely fortunate to have such a competent individual working for SFPP. Great work!"*

**SFPP Member, 45**

# The Future

A solid commitment to our corporate values—service, quality and accountability—has built us a strong foundation to journey into 2024. We are committed to collaborating with our clients and prioritizing the excellent member and employer experience they've come to expect. Member demographics are becoming more diverse, and the workforce is welcoming new generations. APS remains agile and ready to pivot with changing needs.

Our strategic objectives will help us deliver more value as a corporation. Strengthening alignment and working collaboratively with our clients to enhance the member and employer journeys will help us achieve higher levels of excellence in service, quality and accountability. Investing in our people and culture in ways that encourage sustainability and innovation will help us maintain that excellence.

We are proud to be a high-service, low-cost service provider compared to our peers in the pension administration industry. Working together, we will continue innovating and improving services and show our commitment to service, quality and accountability every day.

*"Knowledgeable individual who answered my questions and explained the retirement process and my options."*

SFPP Member, 49

*"The interaction with the Member Services Representative was extremely pleasurable, he understood the issue straight away and resolved my issue promptly. A great experience."*

SFPP Member, 52

*"The lady who helped me was very helpful and patient. Thank you!"*

SFPP Pensioner, 48

*"The Member Services Representative was very professional and extremely helpful. He helped me with the webpage and finding what I needed and had all the answers."*

SFPP Pensioner, 68

## Age Breakdown of Active Members

	▶ 2022	▶ 2023
18-25	4,872	5,725
26-35	42,811	44,494
35-45	63,823	67,072
46-55	59,061	61,187
56-65	41,978	42,485

## Age Breakdown of Pensioners

	▶ 2022	▶ 2023
55-65	25,266	24,133
66-75	55,919	57,654
76-85	25,386	28,003
86-95	6,784	7,096
96+	454	496





# By the Numbers

Number of New Active Members in 2023

**29,091**

Increased by 12.8% from 25,782 in 2022

---

Average Annual Pension Amount  
in 2023 (all pensioners)

**\$24,942**

Increased by 1.7% from \$24,521 in 2022

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Number of New Pensioners in 2023

**7,535**

Decreased by 14.1% from 8,771 in 2022

---

Average New Annual Pension  
Amount in 2023

**\$52,479**

Decreased by 0.3% from \$52,635 in 2022



# Funds Administered

▶ **2023: \$6.7B**

**358,552** members and pensioners

In 2023, APS was responsible for administering over \$6.7 billion of funds across the nine pension plans we serve. This amount includes receipts and disbursements to and from employers, members, pensioners and other pension plans.

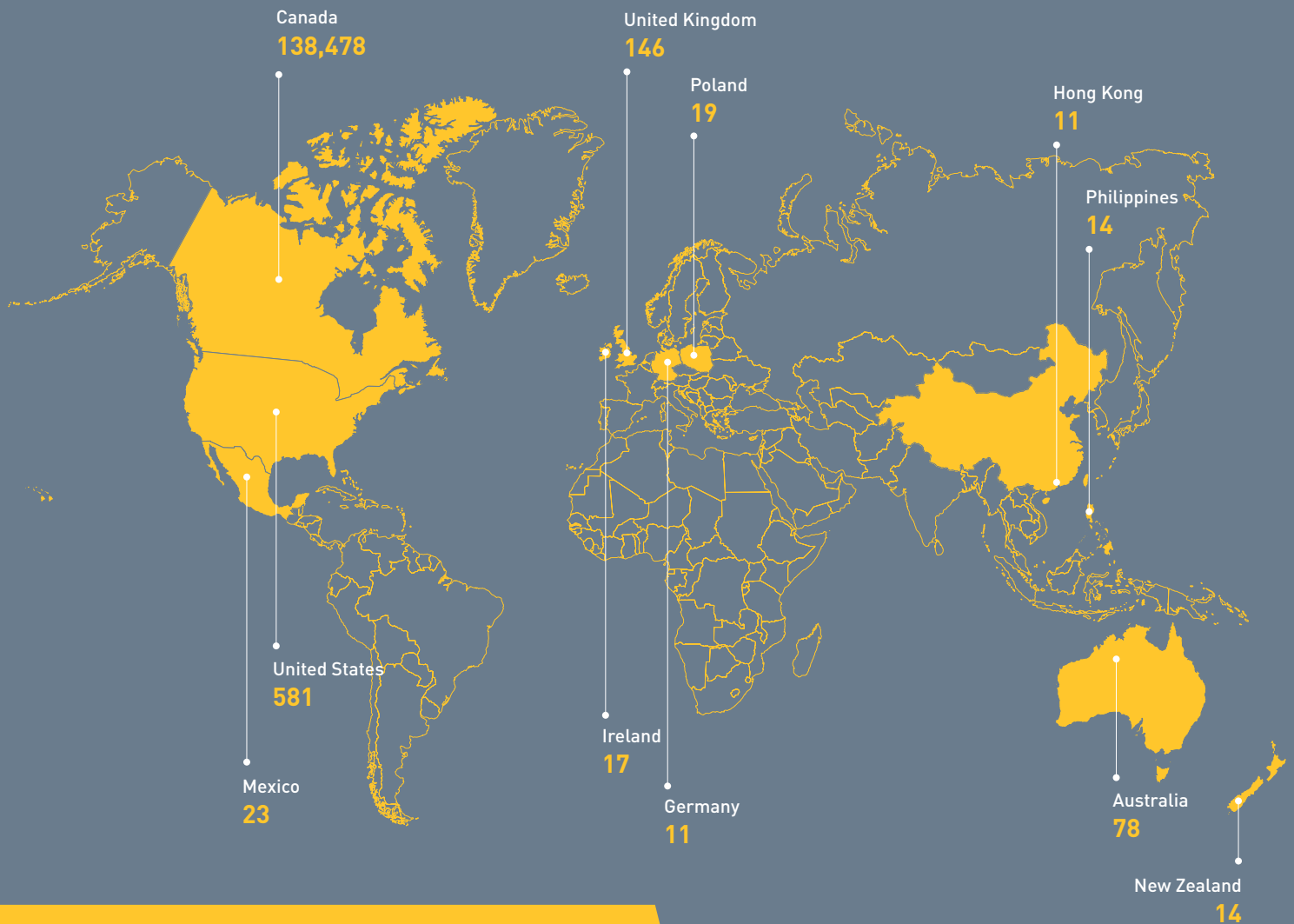
▶ **2011: \$4.0B**

**312,488** members and pensioners

▶ **2016: \$6.0B**

**359,656** members and pensioners

# Payees Around the World



▶ Other  
194

▶ Total Payees  
**139,575**

\*The numbers above include all pensioners, beneficiaries and termination payments. The total number of pensioners alone is 132,974.

# Community Involvement

## How We Gave in 2023

APS employees have chosen Edmonton's Food Bank as our Charity of Choice, and since joining Canadian Blood Services' Partner for Life program in 2014 we have donated enough blood to save the lives of more than 1,200 people. Individual teams at APS give to various non-profit causes throughout the year. In 2023, our Employer Services and IST staff collected gifts and donated to Santas Anonymous.

Donated in 2023:



## Your Donations Matter – A thank you from Edmonton's Food Bank

It is never easy to start over. For some people, it is necessary regardless of the challenges ahead. Sheila left her abusive spouse with only a bag and her most precious possession, her young son, Liam. They are currently couch-surfing between friends while Sheila begins to write her next chapter with Liam at her side. Sheila was struggling and walked into the Food Bank for emergency food. Sheila was greeted by our team who provided phone numbers and resource options to help while explaining how to access a food hamper in the future. Volunteers prepared her food hamper with pantry staples and fresh food including eggs and a halal chicken to celebrate Thanksgiving with her son.

It is because of supporters like APS, Sheila and Liam are not alone. Your donations matter and together, we are serving food and hope. Edmonton's Food Bank provides food for ~34,000 people monthly while also supplying 400,000 meals and snacks to partner organizations like soup kitchens, shelters and schools.

## Corporate Challenge

For the fourth time, APS participated in the annual Edmonton Corporate Challenge from May 14 to June 11. In our hybrid working environment, the Corporate Challenge represents an excellent opportunity for APS staff to meet coworkers they may never have had a chance to talk to in any other capacity.

APS corporate pride shone through in several ways, from the number of staff who put their name forward to join a team (more than 80) and took the time out of their busy evenings and weekends to show up for their event, to a willingness to fill last-minute vacancies to support a team in need. We participated in more than 25 activities, plus the CEO Challenge.

## Fun facts:

- The pickleball team won a silver medal
- Our bowling team won a bronze medal
- More than 140 bowls were bowled by our lawn bowling team. This is mind-bowling.



Our work can only happen through generous donations made by people like our friends at APS. Thank you for keeping hope on the table through your year-round food raising and fundraising efforts. We are forever grateful for your 2023 contributions of 671 kilograms of food and \$11,905. Thank you.

## Tamisan Bencz-Knight

Manager of Strategic Relations & Partnerships  
Edmonton Food Bank

# The APS Building

APS embarked on an agile work environment for its staff, providing a choice of where and how to work that best suited their needs. The success of Agile APS led to negotiations throughout the year to reduce the APS footprint in the building by approximately one-third.

Shifting from a single to a multi-tenant workspace has involved reconfiguring spaces APS will continue to lease and has introduced new complexities that APS has thoughtfully and diligently considered and negotiated with the landlord. Some supplemental negotiations included parking, operating costs, property taxes, signage, access, security, power backup, fire suppression and many other details. All changes will be implemented without impacting services or impeding APS' ability to deliver services to plan members, employers and clients.

As 2023 ended and the new lease agreement was signed, it sent a strong message that Agile APS was thriving and that an engaged workforce could be productive, meet business objectives and live healthy, balanced lives with higher job satisfaction working remotely if they chose. Upcoming changes in 2024 will save money while reducing our environmental and carbon footprint.



## Then vs. Now

We compared some of our costs in 2023 to 2019, the last year staff were primarily working at the APS building.

	▶ 2019	▶ 2023	Savings
Printer Paper Costs	\$3,040.00	\$0.00	*In 2022, we spent \$994.00 on printer paper, and inventory lasted through all of 2023!
Average Shredding Volumes	7 bins per week	2 bins per week	71.4%
Office Supply Costs	\$57,087.15	\$16,753.73	70.1%



# Information Services and Technology

## Data Management Program

We collaborated with one of our largest clients to identify and prioritize future data analytics initiatives through a newly formed Business Intelligence Steering Committee. This committee explored questions and issues to help prioritize data planning for our program in 2024. With a foundation in place, we can expand our data availability and analytics to align with future strategic priorities.

In 2023, we added three new data subjects to our self-service Insights platform. APS and our clients can now access more than 1,300 data items. To support using our data platform, we created a series of training videos for our data stewards. We also created and shared a data quality management framework to support the reliability of our data.

## Cybersecurity & Business Resilience

In 2023, cyber-attacks in the form of ransomware and zero-day vulnerability exploits resulted in massive business disruptions, data theft and ransom demands for thousands of organizations spanning the globe, including Canada and closer to home in Alberta. The APS teams work diligently with our security partners and services to proactively assess and protect against these daily threats, emphasizing ransomware readiness and risk management.

Our teams carefully managed initiatives to evaluate opportunities for improvement through service modernization and innovation. For example, a notable change in our information management program was enforcing sensitivity labelling to apply data classifications to new and accessed existing documents.

APS also conducted a mock cybersecurity incident with the APS Board at its November board meeting, adding an experiential layer to the training and education activities of the Board in an important, forward-looking oversight area.

## Multiple Profiles

In 2022, APS began working with our strategic partner to support plan-specific bank accounts, allowing each plan to manage banking independently. The project team set out on the proposed implementation path and continued the work in 2023.

APS worked iteratively, testing the impact of payroll system changes and ensuring the features, reports and tools continued to meet APS' requirements. Our strategic partner ensured that the workflows for pensioner pay, cost-of-living adjustments, banking and taxation were technically sound and produced accurate results. Our analytics team rigorously performed an impact assessment and testing for the data transformation delivered by our strategic partner, ensuring that the end state of pensioner and financial data was reliable and accurate. Internal teams did an exceptional job of delivering extensive changes, ensuring that when they were introduced into production, there was no interruption to our most critical business processes.

## Employer Hub

Following the successful rollout of LAPP's Employer Hub in 2022, the project team continued work in 2023 to build and release three additional Employer Hub solutions on the APSPlan platform. MEPP, SFPP and PSPP each received a new Employer Hub designed to share the look and feel of their plan websites. With logon to the Employer Hub, employer contacts are presented with a personalized dashboard in an interface design that is modern, user-friendly and offers quick access to key systems and resources.

The Employer Hub is designed to be a one-stop support hub for employers. It is a central location for system and technical support information for the Employer Portal. Supplemental material is also available to help employers understand events and transactions, as well as information they require related to plan rules and how to apply them. Valuable employer news updates, system outage information and announcements are also hosted on the Employer Hub. The introduction of the Employer Hub sites offers an opportunity to expand the information and toolset provided to employers.



# Driving Innovation

The Innovation team has made significant progress to grow the APS Innovation program since its launch in 2020. Sharing success stories from different business units allows others to learn from those experiences and potentially implement similar improvements in their work. In 2023, APS achieved over 40 organic innovations that were either team or individual-driven. These are termed “organic” because the innovators took self-ownership in improving the outcomes.

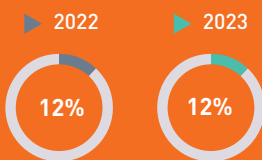
The year-over-year comparison shows the innovation shift from 2022 to 2023 and illustrates how the innovation mindset grew from a lead in IST department areas to spreading across the entire organization. There was also a shift from creating efficiencies to enhancing stakeholder experiences. These shifts demonstrate the maturing and adoption of the Innovation program across APS.

## Ideas Implemented

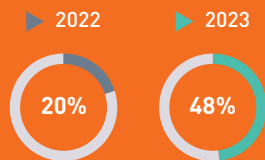
2022	2023
41	46

## Categories

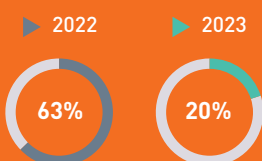
### Reduced Organizational Risk



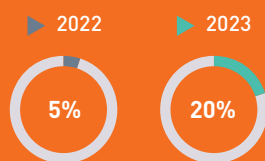
### Enhanced Stakeholder Experience



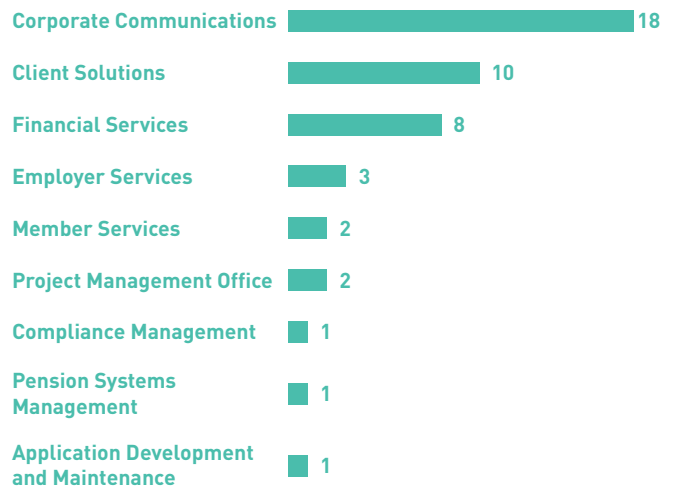
### Created Efficiencies



### Automated Processes



## Innovations in 2023:



## Innovations in 2022:



# Risk Management and Compliance

APS remains steadfast in our commitment to effectively monitor and manage our corporate risks while prioritizing resource allocation, ensuring compliance and supporting corporate objectives to demonstrate value through innovative, cost-effective methods.

The enterprise risk management program supports this commitment and informs decision-making processes and culture at APS. To ensure our program continues to meet the needs of APS, in early 2023 we completed a multi-year roadmap to enhance our corporate risk program and commenced implementation in late 2023.

APS continued to monitor and assess its key corporate risks through 2023, ensuring they reflected the ever-changing risk landscape and that appropriate mitigation strategies were in place. Our comprehensive risk assessment process included conducting regular risk management workshops and quarterly reviews of current and emerging risks. The assessment results were supported by performance metrics, which allowed us to make informed decisions for our business. Further, we continued to focus on risk-prioritized projects and initiatives as we completed our business planning processes in 2023.



## Compliance

Our compliance management program supports APS' overall risk management strategy. APS is committed to preserving its reputation and integrity by complying with applicable laws, regulations and other corporate obligations. The program provides a structured approach to managing APS' compliance risk.

As our pension and workplace landscapes continued to change in 2023, APS did not compromise its standards of compliance management. We focused on key compliance management activities to ensure we continue to comply with our obligations and mitigate our compliance risk. A foundational aspect of our program is to ensure our employees are aware of their compliance roles and responsibilities; this is achieved by ongoing education and support.

# Looking Ahead

For APS, success is accomplished through a commitment to our corporate values—quality, service and accountability—and continued collaboration with our clients.

Through collaboration with our stakeholders, our board, our clients and our experts, we have developed a five-year strategic roadmap, a five-year strategic plan and a three-year business plan. We have a map for the future that empowers us to adapt to the terrain ahead and align our goals with our clients.

We'll face the changing expectations of plan members and employers. As one of Alberta's top employers, we are positioned to attract and retain top talent in a dynamic and evolving workforce.

The three themes of APS—reliability, innovation and people and culture—will lead us toward achieving our ultimate goal of operational excellence.

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We must prioritize and measure the performance of our resource investments, to create capacity for the organization and value for clients, members and employers.

We strive to enhance our relationship with our clients and adopt an increasingly agile approach to pension administration.

**APS' culture is foundational to our future success.** Our employees—the people who provide high-quality service to our clients and their members, pensioners and employers—are central to our success. We must remain dedicated to fostering a culture focused on our core values; a culture that supports success through an emphasis on diversity, equity, inclusion and a shared purpose.

## Reliability

Strengthening a solid and dependable foundation.

To ensure we are delivering on our core pension administration services in a cost-effective, efficient and high-quality manner.

## Innovation

Exploring ways to improve.

To explore new ideas, methods and capabilities for process improvements. Implement solutions with business outcomes to deliver efficient and effective service. Target programs and projects that deliver value, environmental stewardship and positive results for the people we serve and support and our employees.

## People and Culture

Elevating a culture of service with a highly-engaged workforce.

To foster an environment where collaboration and service come naturally because the people are inspired, empowered and values-driven.

# Corporate Governance

As a corporation under the Alberta Business Corporations Act, APS is governed by a Board of Directors (Board). The directors on the Board are appointed by the Government of Alberta as APS' sole shareholder, in accordance with a Unanimous Shareholder Agreement (USA) made by the sole shareholder. The Board is responsible for managing and overseeing the business of the corporation, subject to certain restrictions set out in the USA. The Board delegates operating authority to the CEO and other officers of APS.

## Committees of the Board

In 2023, the Board had four standing committees:

- Audit Committee
- Governance Committee
- Human Resources Committee
- Technology and Innovation Committee

In 2023, the Technology and Innovation Committee and Audit Committee each met four times. The Governance Committee and Human Resources Committee each met five times.

## Board Compensation

Per the USA, Directors' compensation is set by resolution of the shareholder. In 2023, compensation (rounded to the nearest thousand) paid to the Board Chair was \$43,000 (2022 – \$40,000), and aggregate compensation paid to the other Directors totalled \$137,000 (2022 – \$131,000). In addition, Directors' expenses are eligible for reimbursement in accordance with APS' corporate policy and posted on the APS website.

## Governance Framework

APS has a comprehensive governance and compliance framework in place, including a Board Code of Conduct; additional documentation is available at [apsc.ca](https://www.apsc.ca) under "About APS."



**Colin P.  
MacDonald**



**Denise Hamilton**



**Richard Hannah**



**Dr. Janice  
MacKinnon**



**Brenda McInnes**



**Claudia Roszell**



**Meryl Whittaker**



## Directors

In accordance with the USA, the Board consists of seven members appointed by the shareholder. In 2023, the Board met five times (a combination of remote and in person) for five full meetings.

Name	Term of Service <sup>1</sup>	Board/Committee Membership <sup>2</sup>
Colin P. MacDonald	June 2017 – August 2018 August 2018 – October 2021 October 2021 until close of 3rd AMS*	<ul style="list-style-type: none"> <li>• Board Chair</li> </ul>
Brenda McInnes	August 2018 – October 2021 October 2021 – until close of 3rd AMS	<ul style="list-style-type: none"> <li>• Board Vice-Chair</li> <li>• Technology and Innovation Committee Chair</li> </ul>
Claudia Roszell	June 2017 – September 2020 October 2023 – until close of 3rd AMS	<ul style="list-style-type: none"> <li>• Governance Committee Chair</li> <li>• Audit Committee Vice-Chair</li> </ul>
Roger Rosychuk	February 2013 – September 2020 September 2020 – February 2023	<ul style="list-style-type: none"> <li>• Audit Committee Chair (until February 15, 2023)</li> </ul>
Meryl Whittaker	January 2020 – September 2022 September 2022 until close of 3rd AMS	<ul style="list-style-type: none"> <li>• Human Resources Committee Chair</li> <li>• Governance Committee Vice-Chair</li> </ul>
Denise Hamilton	October 2021 – until close of 2nd AMS October 2023 - until close of 3rd AMS	<ul style="list-style-type: none"> <li>• Audit Committee Chair (after February 15, 2023)</li> </ul>
Dr. Janice MacKinnon	October 2021 – until close of 3rd AMS	<ul style="list-style-type: none"> <li>• Human Resources Committee Vice-Chair</li> </ul>
Richard Hannah	February 2023 – until close of 3rd AMS	<ul style="list-style-type: none"> <li>• Technology and Innovation Committee Vice-Chair</li> </ul>

<sup>1</sup> Directors are appointed by the shareholder, normally for a three-year term. The *Alberta Public Agencies Governance Act* establishes a maximum term of 10 consecutive years.

<sup>2</sup> Each Director is a member of all standing Board Committees. Committee meetings are normally held in conjunction with the Board meeting. The above-stated memberships are for the 2023 fiscal year.

\* AMS – Annual Meeting of Shareholder

# Compensation Discussion and Analysis

## Our People

APS acknowledges the value of attracting and retaining a qualified workforce and strives to reward employees equitably. Our total rewards program encompasses employee direct and indirect compensation, employee benefits, APS value proposition and rewards. APS bases its compensation design and practices on four key principles:

### Internal Consistency

Compensation at APS is based upon each employee's expected contribution to the overall achievement of our business objectives, and it is determined by a job evaluation system that is fair, valid and logical.

### Market Competitiveness

APS aligns its market strategy with the private and public sectors, with a weighting of 50 per cent between each market and a target of the 50th percentile for compensation and above the 55th percentile for employee benefits.

*APS was subject to the Salary Restraint Regulation announced April 1, 2018, which prohibited base pay increases for exempt and management employees. The Salary Restraint Regulation expired March 31, 2022, and directions for modest interim increases were provided with a long-term compensation framework to be introduced in the future by the Provincial Bargaining Coordination Office. APS' market competitiveness continues to be impacted.*

### Goal Achievement

Through its performance management program, APS endeavours to create an environment that fosters two-way dialogue between managers and employees for the purpose of ensuring alignment to APS' strategic plan, continuous improvement and linking performance to rewards. We remain committed to achieving excellence, engaging in collaborative and respectful relationships with employees, employers and other stakeholders and maintaining the highest ethical standards.

## Human Resources Committee

The Board's Human Resources Committee (HRC) ensures all human resources policies and practices support the achievement of APS' corporate objectives.

The HRC performs its responsibilities to assist the Board in fulfilling its oversight responsibilities for:

- HR strategies that align to APS' strategic plan, business plan and values-based culture
- Compensation and benefits, employment conditions and related risks, and workforce capacity
- Counsel for the appointment, compensation and performance evaluation of the President and CEO
- Succession planning related to the President and CEO and Executive positions

## Executive Compensation

The HRC provides direction to the compensation structure for the President and CEO\* and performs the following duties on an annual basis:

- Reviews the compensation structure for the President and CEO within the framework of the *Reform of Agencies, Boards and Commissions Compensation Act (RABCCA)\*\**
- Evaluates the performance of the President and CEO against set objectives
- Provides compensation recommendations for the President and CEO to the Board

APS Executives participate in MEPP and SRP. Combined, these plans provide pension benefits equal to two per cent of each Executive's best five-year average pensionable salary for each year of service. MEPP provides a pension in respect of the base salary up to a maximum pensionable salary limit set by the MEPP plan rules, which in turn is set to ensure that the benefit payable does not exceed the defined benefit limit in the Income Tax Act (ITA). SRP provides a pension in respect of the base salary in excess of the maximum pensionable salary limit set in the MEPP plan rules.

\*APS President and CEO and APS Executives were subject to the Reform of Agencies, Boards and Commissions Compensation Regulation.

\*\*The RABCCA was repealed in December 2023. The *Public Sector Employers Amendment Act (PSEA)* was proclaimed the same day, which provides for the establishment of a compensation framework similar to what was found in RABCCA. While a new compensation framework under PSEA is being developed, agencies such as APS that were previously subject to RABCCA must continue to adhere to the limits and conditions set out in Ministerial Order 49-2023.

# Summary Compensation Table

(audited, in thousands)

The table below provides complete disclosure of salary, other cash benefits and other non-cash benefits approved for payment during the years ended December 31, 2023 and 2022 for the President and Chief Executive Officer and Vice Presidents.

Position	Base Salary <sup>1</sup>	Other Cash Benefits <sup>2</sup>	Other Non-Cash Benefits <sup>3</sup>	2023 Total	2022 Total
President and Chief Executive Officer	\$ 291	\$ 31	\$ 80	\$ 402	\$ 376
Vice President, Finance and Chief Financial Officer	247	15	62	324	291
Vice President, Human Resources and Organizational Development	247	15	59	321	284
Vice President, Governance and General Counsel <sup>4</sup>	224	27	55	306	108
Vice President, Information Services & Technology <sup>5</sup>	209	22	50	281	186
Vice President, Pensions Services (Former) <sup>6</sup>	114	8	32	154	306
Vice President, Information Services & Technology (Former) <sup>7</sup>	-	-	-	-	115

<sup>1</sup> Base salary includes regular base pay.

<sup>2</sup> Other cash benefits include automobile allowance, vacation payouts and personal leave payouts, as applicable. There were no bonuses paid in 2023 and 2022.

<sup>3</sup> Other non-cash benefits include employer's share of all employee benefits and contributions or payments made on behalf of employees. This includes pension, health care, dental coverage, group life insurance, short and long-term disability plans, WCB premiums, professional memberships, tuition fees and parking, as applicable.

<sup>4</sup> The incumbent commenced this position on August 15, 2022.

<sup>5</sup> The incumbent commenced this position on May 1, 2022.

<sup>6</sup> The former VP, Pensions Services left the Corporation on May 31, 2023. Acting pay for individuals covering the role of VP, Pensions Services from June 1 to December 31, 2023 totaled \$5K.

<sup>7</sup> The former VP, Information Services and Technology left the Corporation on June 10, 2022.

# Financial Statements



# Management's Responsibility for Financial Reporting

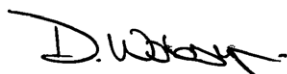
The financial statements and information in the 2023 Annual Report are the responsibility of Alberta Pensions Services Corporation (APS) and have been approved by management and the APS Board of Directors (the Board).

The financial statements have been prepared in conformity with Canadian Public Sector Accounting Standards and, of necessity, include some amounts that are based on estimates and judgments. Financial information presented in the 2023 Annual Report that relates to the operations and financial position of APS is consistent with that in the financial statements.

To discharge its responsibility for the integrity and objectivity of financial reporting, APS maintains a system of internal accounting controls comprised of written policies, standards and procedures, and a formal authorization structure. These systems are designed to provide management with reasonable assurance that transactions are properly authorized, that reliable financial records are maintained and that assets are adequately accounted for and safeguarded.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board carries out this responsibility principally through its Audit Committee. As part of this responsibility, the committee reviews the financial statements, the Management's Discussion and Analysis, and the Compensation Discussion and Analysis in the Annual Report, and once satisfied, recommends them to the Board for approval. The committee also meets with management and the external auditor to discuss internal controls, auditing matters and financial reporting issues.

The Auditor General of Alberta, APS' external auditor, provides an independent audit opinion on the financial statements.



**Doug Woloshyn**

Interim President and  
Chief Executive Officer



**Amrita Kharbanda**

Acting Vice President, Finance  
and Chief Financial Officer

# Independent Auditor's Report



To the Shareholder of Alberta Pensions Services Corporation

## Report on the Financial Statements

### Opinion

I have audited the financial statements of Alberta Pensions Services Corporation, which comprise the statement of financial position as at December 31, 2023, and the statements of operations, change in net debt, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Alberta Pensions Services Corporation as at December 31, 2023, and the results of its operations, its changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Alberta Pensions Services Corporation in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Other information

Management is responsible for the other information. The other information comprises the information included in the *Alberta Pensions Services Corporation 2023 Annual Report*, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance. I have nothing to report in this regard.

### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Alberta Pensions Services Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Alberta Pensions Services Corporation's financial reporting process.

## **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Alberta Pensions Services Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Alberta Pensions Services Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Alberta Pensions Services Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]  
Auditor General

April 24, 2024  
Edmonton, Alberta

# STATEMENT OF OPERATIONS

Year ended December 31, 2023

*(in thousands)*

	2023		2022
	Budget	Actual	Actual
<b>Expenses</b>			
Salaries and benefits	\$ 37,291	\$ 35,730	\$ 33,524
Contract services	2,665	2,653	2,858
Software licensing and support	5,246	5,409	5,159
Office related expenses	4,508	4,740	4,860
Amortization (Note 8)	6,000	6,069	5,669
<b>Total before other services</b>	<b>55,710</b>	<b>54,601</b>	52,070
Plan specific and corporate services (Note 5)	4,443	2,804	3,063
Employer specific services (Note 6)	47	47	44
<b>Total operating expenses</b>	<b>60,200</b>	<b>57,452</b>	55,177
<b>Recovery of costs (Note 7)</b>	<b>60,200</b>	<b>57,452</b>	55,177
Annual surplus (deficit)	-	-	-
<b>Net assets at beginning of year</b>	-	-	-
<b>Net assets at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

The accompanying notes are an integral part of these financial statements.

Approved by the Board:



**Colin P. MacDonald, K.C., ICD.D**  
Chair, Board of Directors



**Denise Hamilton, CPA, CMA, ICD.D**  
Chair, Audit Committee

## STATEMENT OF FINANCIAL POSITION

As at December 31, 2023

*(in thousands)*

	2023	2022
<b>Financial assets</b>		
Cash	\$ 1,634	\$ 1,737
Accounts receivable	23	46
Due from pension plans and plan corporations (Note 7)	266	1,604
	<b>1,923</b>	3,387
<b>Liabilities</b>		
Accounts payable and other accrued liabilities	2,290	3,623
Accrued salaries and benefits	242	223
Accrued vacation pay	881	868
Deferred lease inducement	-	415
	<b>3,413</b>	5,129
<b>Net Debt</b>	<b>(1,490)</b>	(1,742)
<b>Non-financial assets</b>		
Tangible capital assets (Note 8)	24,991	28,822
Prepaid expenses	1,490	1,742
	<b>26,481</b>	30,564
<b>Net assets before spent deferred capital contributions</b>	<b>24,991</b>	28,822
Spent deferred capital contributions (Note 8)	24,991	28,822
<b>Net assets</b> (Note 9)	<b>\$ -</b>	\$ -

**Contractual rights** (Note 12)**Contractual obligations** (Note 13)**Contingent liabilities** (Note 14)

The accompanying notes are an integral part of these financial statements.



## STATEMENT OF CHANGE IN NET DEBT

Year ended December 31, 2023

*(in thousands)*

	2023		2022
	Budget	Actual	Actual
<b>Annual surplus (deficit)</b>	\$ -	\$ -	\$ -
Acquisition of tangible capital assets (Note 8)	(3,400)	(2,238)	(2,581)
Amortization of tangible capital assets (Note 8)	6,000	6,069	5,669
Disposal of tangible capital assets (Note 8)	-	(2,037)	-
Change in spent deferred capital contributions	(2,600)	(1,794)	(3,088)
Change in prepaid expenses	-	252	(409)
<b>Increase in net debt</b>	-	252	(409)
<b>Net debt at beginning of year</b>	(1,333)	(1,742)	(1,333)
<b>Net debt at end of year</b>	\$ (1,333)	\$ (1,490)	\$ (1,742)

The accompanying notes are an integral part of these financial statements.

# STATEMENT OF CASH FLOWS

Year ended December 31, 2023

*(in thousands)*

	2023	2022
<b>Operating transactions</b>		
Annual surplus (deficit)	\$ -	\$ -
<b>Non-cash items included in annual surplus (deficit):</b>		
Amortization of tangible capital assets (Note 8)	6,069	5,669
Disposal of tangible capital assets (Note 8)	(2,037)	-
Disposal of spent deferred capital contributions (Note 8)	2,037	-
Decrease in deferred lease inducement	(415)	(249)
Amortization of spent deferred capital contributions (Note 8)	(6,069)	(5,669)
	(415)	(249)
Decrease (increase) in accounts receivable	23	(20)
Decrease (increase) in prepaid expenses	252	(409)
Decrease (increase) in due from pension plans and plan corporations	1,338	(653)
Decrease in accounts payable and other accrued liabilities	(1,333)	(132)
Increase in accrued salaries and benefits	19	98
Increase (decrease) in accrued vacation pay	13	(103)
Cash applied to operating transactions	(103)	(1,468)
<b>Capital transactions</b>		
Acquisition of tangible capital assets (Note 8)	(2,238)	(2,581)
Cash applied to capital transactions	(2,238)	(2,581)
<b>Financing transactions</b>		
Increase in spent deferred capital contributions (Note 8)	2,238	2,581
Cash provided by financing transactions	2,238	2,581
<b>Decrease in cash</b>	(103)	(1,468)
<b>Cash at beginning of year</b>	1,737	3,205
<b>Cash at end of year</b>	\$ 1,634	\$ 1,737

The accompanying notes are an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2023

## 1. Authority

Alberta Pensions Services Corporation (APS) is incorporated under the *Business Corporations Act* (Alberta). APS is a “Provincial corporation” under the *Financial Administration Act* (Alberta) and a “public agency” under the *Alberta Public Agencies Governance Act*. The issued share of the Corporation is owned by the Government of Alberta and accordingly, the Corporation is exempt from income taxes under the *Income Tax Act*. APS is referred to as “the Corporation” throughout the Notes to the Financial Statements.

## 2. Nature of Operations

The Corporation provides a comprehensive suite of pension administration services in respect of nine registered and unregistered pension plans. These services are provided pursuant to a “Pension Services Agreement” with each of LAPP Corporation, PSPP Corporation and SFPP Corporation and a “Pension Administration Services Agreement” with the Government of Alberta.

The services provided to LAPP Corporation, PSPP Corporation and SFPP Corporation are respectively in relation to the Local Authorities Pension Plan (LAPP), the Public Service Pension Plan (PSPP) and the Special Forces Pension Plan (SFPP). These services are provided pursuant to the *Joint Governance of Public Sector Pension Plans Act* (Alberta) and in accordance with the *Employment Pension Plans Act* (Alberta).

The services provided to the Government of Alberta pertain to the following registered and unregistered pension plans:

- Management Employees Pension Plan (MEPP) and Public Service Management (Closed Membership) Pension Plan (PSM(CM)PP), each established and governed by the *Public Sector Pension Plans Act* (Alberta);
- Supplementary Retirement Plan (SRP) for Public Service Managers (established by Treasury Board Directive);
- Provincial Judges and Applications Judges (Registered) Pension Plan and Provincial Judges and Applications Judges (Unregistered) Pension Plan (JPP), each established and governed by Alberta Regulation 196/2001;
- Members of the Legislative Assembly (Registered) Pension Plan (MLAPP), established and governed by the *Members of the Legislative Assembly Pension Plan Act* (Alberta).

### 3. Summary of Significant Accounting Policies

#### Basis of Presentation

These financial statements are prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS).

#### Recovery of Costs

All recoveries of costs are reported on the accrual basis of accounting. Accruals for the recovery of costs are recognized as the related expenses are incurred.

#### Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed.

#### Valuation of Financial Assets and Liabilities

The Corporation's financial assets and liabilities are generally measured as follows:

Financial statement component	Measurement
Cash and cash equivalents	Cost
Accounts receivable and due from pension plans and plan corporations	Lower of cost or net recoverable value
Accounts payable and other accrued liabilities, accrued salaries and benefits, and accrued vacation pay	Cost

#### Financial Assets

Financial assets are the Corporation's financial claims on external organizations and individuals.

##### Cash and cash equivalents

Cash is comprised of cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

##### Accounts receivable

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

#### Liabilities

Liabilities are present obligations of the Corporation to external organizations and individuals arising from past transactions or events occurring before the year end, the settlement of which is expected to result in future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

#### Non-financial Assets

Non-financial assets are limited to tangible capital assets and prepaid expenses.

##### Tangible capital assets

Tangible capital assets are recognized at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets and overhead directly attributable to construction and development.

### 3. Summary of Significant Accounting Policies (Continued)

#### Tangible capital assets (Continued)

Assets under construction are not amortized until after a project is substantially complete and the asset is put into service.

Leases of tangible capital assets which transfer substantially all the benefits and risks of ownership are accounted for as leased tangible capital assets. Capital lease liabilities are recognized at the present value of the minimum lease payments excluding executory costs (e.g. insurance, maintenance costs). The discount rate used to determine the present value of the lease payments is the lower of the Corporation's rate for incremental borrowing or the interest rate implicit in the lease.

The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Leasehold improvements	Term of lease
Pension Administration System (Compass)	12 years
Furniture and equipment	5 years
Computer hardware and software	3 years

The costs of improvements or betterments of the Compass System are amortized on a straight-line basis over the remaining useful life of the Compass System.

The threshold for capitalizing software is \$100,000 and \$5,000 for all other items, where these items have a useful life in excess of one year.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value.

#### Prepaid expenses

Prepaid expenses are recognized at cost and amortized based on the terms of the agreement.

#### Financial Instruments

Financial instruments of the Corporation consist of cash, accounts receivable, due from pension plans and plan corporations, accounts payable and other accrued liabilities, accrued salaries and benefits, and accrued vacation pay. Due to their short-term nature, the carrying value of these instruments approximates their fair value.

As the Corporation does not have any transactions involving financial instruments that are classified in the fair value category, there are no remeasurement gains and losses and therefore, a statement of remeasurement gains and losses has not been presented.

#### Use of Estimates

The preparation of financial statements in conformity with Canadian PSAS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as, the disclosure of contingent assets and liabilities in the financial statements. Actual results could differ from these estimates, and the impact of any such differences will be recognized in future periods. The significant area requiring the use of management estimates relates to the estimated useful lives of tangible capital assets.



## 4. Adopted and Future Accounting Standards

Effective April 1, 2023, the Corporation adopted the following accounting standards issued by the Public Sector Accounting Board:

- **PS 3400 Revenue**

This accounting standard provides guidance on how to account for and report on revenue, and specifically, it differentiates between revenue arising from exchange and non-exchange transactions. Adoption of this standard did not impact the financial statements.

- **PSG-8 Purchased Intangibles**

This guideline allows recognition in financial statements of intangibles purchased through an arm's length exchange transaction and meeting the definition of an asset. Management has completed its assessment and did not identify any purchased intangible assets.

Effective April 1, 2026, the Corporation will adopt the following new conceptual framework and accounting standard approved by the Public Sector Accounting Board:

- **Conceptual Framework for Financial Reporting in the Public Sector**

The Conceptual Framework is the foundation for public sector financial reporting standard setting. It replaces the conceptual aspects of Section PS 1000 Financial Statement Concepts and Section PS 1100 Financial Statement Objectives. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.

- **PS 1202 Financial Statement Presentation**

Section PS 1202 sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts within the Conceptual Framework.

Management is currently assessing the impact of the conceptual framework and the standard on the financial statements.

## 5. Plan Specific and Corporate Services

(in thousands)

The Corporation provides certain tailored services to plan corporations and public sector pension plans and their respective boards and committees. These services may include amending system specifications for plan rule changes, client requests, optional services and other costs not attributed to all of the plans served by the Corporation.

Entity	2023	2022
LAPP	\$ 995	\$ 691
MEPP	547	732
PSPP	383	616
SFPP	289	353
LAPP Corporation	139	95
SRP	101	172
SFPP Corporation	96	88
JRPP	85	119
PSPP Corporation	81	73
JUPP	56	94
PSM(CM)PP	24	22
MLAPP	8	8
	<b>\$ 2,804</b>	<b>\$ 3,063</b>

## 6. Employer Specific Services

(in thousands)

In 2008, the Minister approved the Corporation administering post-retirement benefits for certain employers who participate in the public sector pension plans. The Corporation also entered into an agreement to provide certain administration services on a cost-recovery basis to Alberta Investment Management Corporation (AIMCo), a related Crown Corporation, in respect of an AIMCo supplementary retirement plan. All costs associated with administering these benefits are recovered directly from the specific employers as follows:

	2023	2022
Participating Employers <sup>1</sup>	\$ 5	\$ 4
Alberta Investment Management Corporation	42	40
	<b>\$ 47</b>	<b>\$ 44</b>

<sup>1</sup> Participating employers include: City of Edmonton, Alberta Health Services, EPCOR and Government of Alberta.

## 7. Recovery of Costs

(in thousands)

The Corporation charges each public sector pension plan and plan corporation with its proportionate share of the Corporation's operating costs based on the cost recovery methodology approved by the Board of Directors. Prior year's cost recovery methodology was described in each of their formal agreements. At December 31, 2023, \$266 (2022 – \$1,604) is receivable from the plans and plan corporations. The receivable at year end is directly related to the timing of the receipt and disbursement of funds.

Entity	2023	2022
LAPP	\$ 40,567	\$ 38,491
PSPP	10,986	10,944
MEPP	2,450	2,503
SFPP	1,546	1,495
SRP	596	622
PSM(CM)PP	283	245
JRPP	203	218
JUPP	173	191
LAPP Corporation	139	95
SFPP Corporation	96	88
MLAPP	90	68
PSPP Corporation	81	73
	<b>57,210</b>	55,033
Interest and other cost recoveries	195	100
Employer specific services (Note 6)	47	44
	<b>\$ 57,452</b>	\$ 55,177

## 8. Tangible Capital Assets

(in thousands)

	2023					2022
	Compass system	Computer hardware & software	Leasehold improvements	Furniture & equipment	Total	Total
Estimated useful life	12 years	3 years	Lease term	5 years		
<b>Historical Cost<sup>1</sup></b>						
Beginning of year	\$ 56,761	\$ 10,279	\$ 6,335	\$ 1,588	\$ 74,963	\$ 72,800
Additions	1,536	630	-	72	2,238	2,581
Disposals, including write-downs	-	-	(1,941)	(96)	(2,037)	(418)
	58,297	10,909	4,394	1,564	75,164	74,963
<b>Accumulated Amortization</b>						
Beginning of year	29,571	8,697	6,335	1,538	46,141	40,890
Amortization expense	5,262	800	-	7	6,069	5,669
Effect of disposals, including write-downs	-	-	(1,941)	(96)	(2,037)	(418)
	34,833	9,497	4,394	1,449	50,173	46,141
<b>Net Book Value at December 31, 2023</b>	\$ 23,464	\$ 1,412	\$ -	\$ 115	\$ 24,991	
<b>Net Book Value at December 31, 2022</b>	\$ 27,190	\$ 1,582	\$ -	\$ 50		\$ 28,822

Financing obtained from the public sector pension plans to acquire tangible capital assets is recognized as spent deferred capital contributions. The recovery of costs is recognized on the same basis as the tangible capital assets are amortized.

<sup>1</sup> Historical cost includes asset under construction at December 31, 2023 totaling \$1,156 (2022 – \$567) comprised of Compass system \$830 (2022 – \$93), Computer hardware and software \$250 (2022 – \$474) and Furniture and equipment \$76 (2022 – \$nil).

## 9. Share Capital

	2023	2022
Issued:		
1 common share	\$ 1	\$ 1

An unlimited number of common and preferred shares are authorized with a single common share issued (Note 1).

## 10. Employee Future Benefits

*(in thousands)*

The Corporation participates in three multi-employer defined benefit public sector pension plans: PSPP, MEPP and SRP. Multi-employer plans are accounted for as defined contribution plans. Accordingly, the Corporation does not recognize its share of any plan surplus or deficit. The expense for these pension plans is equivalent to the annual contributions of \$2,916 for the year ended December 31, 2023 (2022 – \$3,080). This amount is included in salaries and benefits.

An actuarial valuation is performed to assess the financial position of the plan and adequacy of the plan funding. At December 31, 2022, PSPP reported a surplus of \$4,258,721 (2021 – surplus of \$4,588,479), MEPP reported a surplus of \$924,735 (2021 – surplus of \$1,348,160) and SRP had a deficiency of \$25,117 (2021 – deficiency of \$20,982).

## 11. Related Party Transactions

*(in thousands)*

Related parties are those entities consolidated using either line by line or modified equity basis in the Government of Alberta's Consolidated Financial Statements. Related parties also include key management personnel and close family members of those individuals in the Corporation. The Corporation and its employees paid or collected certain taxes and fees set by regulation for premiums, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The Corporation had the following transactions with related parties reported in the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	2023	2022
Expenses		
Printing and postage	\$ 949	\$ 962
Software licences	520	583
Risk management and insurance	213	211
	\$ 1,682	\$ 1,756
Payable to Government of Alberta	\$ 653	\$ 664

The Corporation also provided services to the plan corporations and public sector pension plans and their respective boards and committees as disclosed in Notes 5 and 7. These transactions are in the normal course of operations.



## 12. Contractual Rights

(in thousands)

The Corporation's agreement for office space includes a tenant allowance available to the Corporation in the future when the terms of the agreement are met. The tenant allowance is a contribution towards the cost of fixturing and installation of leasehold improvements in the office space.

The tenant allowance totals \$1,391, of which, \$311 expires in 2024. The remaining \$1,080 is available until 2025, which if not used in entirety, up to \$540 can be used as a reduction in rent expense.

## 13. Contractual Obligations

(in thousands)

The Corporation has entered into some multi-year agreements whereby the Corporation will be obligated to make future payments when the goods or services are received. Significant non-cancellable contractual obligations that can be reasonably estimated are summarized as follows:

Year	Operating <sup>1,2</sup>	Capital <sup>2</sup>	Total
2024	\$ 5,200	\$ 668	\$ 5,868
2025	2,027	-	2,027
2026	1,864	-	1,864
2027	1,767	-	1,767
Thereafter	13,505	-	13,505
	<u>\$ 24,363</u>	<u>\$ 668</u>	<u>\$ 25,031</u>

<sup>1</sup> On December 1, 2023, the Corporation entered into an amended and restated lease agreement reflecting an 11-year term ending November 30, 2034 (Note 12).

Operating obligations include non-cancellable purchase and contract commitments for contracted services, software licenses and office space.

<sup>2</sup> The corporation has a multi-year commitment with an external vendor to maintain and support APS' Pension Administration (Compass) system. APS can terminate the contract with 12 months notice. Future years' costs will be indexed on each anniversary date of the agreement. The operating obligations include \$1,811 in 2024 to provide non-cancellable operating maintenance and support. There is a planned system upgrade in 2024 that will consist of \$668 of capital obligations and \$200 for operating support of the upgrade.

## 14. Contingent Liabilities

*(in thousands, except number of claims)*

The Corporation is involved in legal matters where damages are being sought. These matters may give rise to contingent liabilities.

Accruals are made in specific instances where it is likely that losses will be incurred based on a reasonable estimate. As at December 31, 2023, accruals totaling \$76 (2022 – nil) have been recognized as a liability.

The Corporation has been named in five (2022 – six) claims, in which two outcomes are likely and three are not determinable. In most cases these claims have been filed jointly and severally against the Corporation, one of the pension plans and in some cases involve third parties. Of the likely claims, two (2022 – one) have specified amounts totaling \$1,000 (2022 – \$200). Of the indeterminate claims, two (2022 – two) have specified amounts totaling \$1,900 (2022 – \$950). The remaining claim has no specified amount. Management estimates that any potential liability relating to these claims would be to the pension plan(s) named for any benefit-related costs and any potential damages would be covered by the insurance provided by the Alberta Risk Management Fund. In addition, there are two claims arising from the normal course of business which are not determinable.

The resolution of claims may result in a liability, if any, that may be significantly lower than the claimed amount.

## 15. Salaries and Benefits Disclosure

Details of Executive and Board member remuneration are presented in the Compensation Discussion and Analysis section of the Corporation's 2023 Annual Report.

## 16. Financial Instruments

Liquidity risk is the risk of not being able to meet the Corporation's cash requirements in a timely and cost-effective manner. The Corporation's only source of liquidity is amounts charged to pension plans and plan corporations (Note 7).

It is management's opinion that the Corporation is not exposed to any risk arising from this financial instrument.

## 17. 2023 Budget

The Corporation's 2023 budget was approved by the Board of Directors on November 29, 2022.

## 18. Approval of Financial Statements

The Board approved the financial statements of the Corporation.

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# Public Interest Disclosure (Whistleblower Protection) Act

Supplementary Information Required by Legislation

For the year ended December 31, 2023 (Unaudited)

Section 32 of the *Public Interest Disclosure (Whistleblower Protection) Act* (the "Act") requires the Corporation's chief officer (APS' Chief Executive Officer) to report annually on the following information:

- a) the number of disclosures received by or referred to the designated officer of the Corporation, the number of disclosures acted on and the number of disclosures not acted on by the designated officer;
- b) the number of investigations commenced by the designated officer as a result of the disclosures; and
- c) in the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations made or corrective measures taken in relation to the wrongdoing, or the reasons why no corrective measure was taken.

In 2023, the Corporation's designated officer did not receive or were referred any disclosures of wrongdoing.

# Corporate Information



## Corporate Directory

(as at March 30, 2024\*)



**Doug Woloshyn**

Interim President & Chief Executive Officer



**Amrita Kharbanda**

Acting Vice President, Finance & Chief Financial Officer



**Tamara Janzen**

Vice President, Human Resources & Organizational Development



**Kathryn Miller**

Interim Vice President, Pensions Services



**Steven French**

Vice President, Information Services and Technology & Chief Information Officer



**Tony Kurian**

Vice President, Governance and General Counsel

## Contact Information

Alberta Pensions Services Corporation

5103 Windermere Blvd. SW

Edmonton, AB T6W 0S9

Toll-free: 1.800.661.8198

email: [memberservices@apsc.ca](mailto:memberservices@apsc.ca)

[apsc.ca](http://apsc.ca)

\*The APS executive team was under transition in 2023 with the departure of Troy Mann, Vice President, Pensions Services in June 2023, and the announcement of the departure of CEO Darwin Bozek in January 2024. Upon his departure, Vice President of Finance & CFO Doug Woloshyn was announced as Interim President & CEO, while Director of Financial Services Amrita Kharbanda took on the role of Acting VP, Finance & CFO. Kathryn Miller was also announced as the Interim VP of Pensions Services. The recruitment of a permanent CEO and VP of Pensions Services continues into 2024.



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Edmonton, AB T6W 0S9  
Toll-free: 1.800.661.8198